



WISCONSIN STATE REPRESENTATIVE

Brent Jacobson

87TH ASSEMBLY DISTRICT

Testimony in Support of Assembly Bill 164

Assembly Committee on Public Benefit Reform

April 10th 2025

Thank you, Chairman Knodl and members of the Assembly Committee on Public Benefit Reform, for the opportunity to submit testimony on Assembly Bill 164. This legislation would reform Wisconsin's Unemployment Insurance (UI) program to ensure it helps direct unemployed Wisconsinites back into the workforce.

In the 2023 April election, the voters of Wisconsin showed overwhelming support for the state helping people able to work to find work. In the years since that election, Wisconsin's workforce shortage has not abated. For that reason, I am reintroducing legislation from that session that would help clarify the UI program in our state and reform it to help people find a job.

First, AB 164 changes the name of the program from Unemployment Insurance to Reemployment Assistance. Under federal law, someone who is receiving UI is required to be able to and actively seek work. UI is, at its core, a program to help individuals reenter the workforce. This name change would help emphasize this core function of UI, and better reflects what the program aims to accomplish.

Secondly, AB 164 requires the Department of Workforce Development (DWD) to get serious about helping people on UI with their weekly work searches. Under this bill, DWD would be required to take peoples resumes and match them with open jobs. Then a person would be required to, at a minimum, reach out to two employers that are hiring. Data shows that when people have more useful work searches, they can find a job sooner.

Next, to compliment work searches, AB 164 expands the US Department of Labor's Reemployment Services and Eligibility Assessment (RESEA) program to everyone on UI. RESEA councilors create a one-on-one job plan and then provide extra services to help people. RESEA councilors help individuals seeking work to understand today's labor market, or how to act and dress during an interview. This program has shown its success both in Wisconsin and in the US. However, in Wisconsin participation is currently a voluntary. By making participation mandatory, we this bill ensures that people on UI have the skills to be successful when they look for new employment. In addition, this bill requires DWD to provide a workforce counseling session to someone who is in the final three weeks of receiving benefits.

In both my district and throughout Wisconsin, businesses are feeling a shortage of workers. Just this week, there are nearly double the number of jobs openings as there are job seekers on the states job board. AB164 provides common-sense ideas and innovations to help those who lost their job through no fault of their own transition back into the economy as quickly as possible. AB 164 will ensure that when Wisconsinites become unemployed, our state helps them transition back to the best economic assistance program there is: a job.

Thank you again for your time and consideration of AB 164. I respectfully ask for your support in recommending this bill for passage.



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Testimony before the Assembly Committee on Public Benefit Reform

Senator André Jacque

Assembly Bill 164

April 10, 2025

Mr. Chairman and Members:

Wisconsin's unemployment insurance (UI) program is intended to provide assistance to those who lose their job through no fault of their own, provided they have earned enough wages to qualify for benefits.

Unfortunately, it has become clear in the last few years that Wisconsin's UI program has strayed from the equally important purpose of providing employment assistance to help out-of-work state citizens while they actively look for another job that can support themselves and their families.

In fact, not only does federal law require those receiving benefits to be able to work, available for work, and actively seeking work; right now Wisconsin has a workforce shortage in most sectors of our state's economy. By re-focusing UI towards helping people find work, the Reemployment Assistance Act can enable them to start their next career sooner, while helping employers connect with the skills and talent they need right now.

That's why Assembly Bill 164 reforms the UI program by directing the Department of Workforce Development (DWD) to make job searches more meaningful and provide claimants access to additional reemployment services. The measure:

- Renames the UI program to the Division of Reemployment Assistance
- Requires the DWD to administer universal workforce assessments and reemployment services by providing individuals early access to customized workforce services, giving them access to employment services at the start of the UI claim.
- These services include online career readiness assessments to identify their career skills and talents, from which DWD will develop a personalized employment plan.

Wisconsin voters recognized the need for reform when they overwhelmingly approved a work requirement referendum in the April 2023 election. Assembly Bill 164 responds to that expressed approval by making common-sense changes that will help people transition back into the economy and into their next career as soon as possible. When claimants return to work even a week earlier, it saves the UI Trust Fund millions of dollars and keeps UI tax rates low.

Thank you for your consideration of Assembly Bill 164.

Written Testimony on AB 164
Amy Pechacek, Secretary Department of Workforce Development
April 10, 2025

Chair Knodl, Vice-Chair Maxey, Ranking Member Clancy and Members of the Assembly Committee on Public Benefit Reform, thank you for the opportunity to provide written testimony for information only on AB 164. Thanks to Representative Jacobson and Senator Jacque for their interest in the Unemployment Insurance Division and the federal Reemployment Services and Eligibility Assessment grants (RESEA).

AB 164 renames the unemployment insurance (UI) program and the Unemployment Insurance Division. The bill requires the Department of Workforce Development (DWD) continue to participate in the RESEA program and provide certain RESEA services to all UI claimants. Further, the bill amends the UI work search requirements to require specific work search actions, requires DWD to provide claimants with potential job opportunities each week, and mandates participation in a public employment office workshop or training program.

DWD has concerns about this proposal due to the anticipated reporting burden for employers, potential costs, bureaucratic requirements, and lack of sustainable funding. Additionally, DWD is already performing several key functions noted in the proposal. One of DWD's primary responsibilities include providing job services, training, and employment assistance to people looking for jobs while working with employers to find the necessary workers to fill current job openings.

Wisconsin's proactive approach to workforce development already delivers results. Wisconsin's innovative programs and recent investments in workforce development are effectively connecting job seekers with employers and engaging previously underrepresented and underemployed populations with jobs. The Division of Employment and Training's Bureau of Job Service currently functions as a "Reemployment Division," working in the community, supporting Department of Corrections job labs, providing services in hard-to-reach locations through mobile career labs, and working in schools and libraries to help people get their next job. The Job Center of Wisconsin website currently hosts approximately 35,000 resumes and functions to connect job seekers and employers.

Other ways DWD is already performing the functions proposed in the bill include:

- DWD works to prevent layoffs at Wisconsin companies. Through the Work-Share program, instead of laying off workers, a qualified employer can plan to reduce work hours for at least 20 employees, thus aiding the employer to retain its valued, skilled and/or trained employees.
- DWD's Bureau of Job Service administers the Reemployment Services and Eligibility Assessment (RESEA) program. Each year, 30,000 to 40,000 UI claimants have the ability to receive an employment plan, job search assistance, work search review, employment counseling through Job Service licensed career counselors, referrals to training programs, and career exploration. RESEA grants are awarded by the U.S. Department of Labor. DWD will continue to participate as long as funding for the program continues. Currently, funding is formula-based dependent on metrics.

- DWD's Job Center of Wisconsin website allows UI claimants and other users to receive daily or weekly email notifications for jobs that fit their search criteria.
- Work registration is already a requirement. UI claimants are required to register for work (including the completion of a resume) with the Job Center of Wisconsin website within 14 days of their initial application for UI benefits.
- Re-employment services are also already a requirement. Again, claimants that are registered with the Job Center of Wisconsin are required to seek work as well as complete an online orientation and assessment.
- DWD's Bureau of Job Service is currently undertaking a comprehensive evaluation of the RESEA program to identify the interventions that provide the best possible employment outcomes and reduce the duration of UI benefits. A final report outlining the findings of this evaluation will be available in 2025.

Creating new and burdensome reporting requirements for employers and erecting more barriers for job seekers, diminishing access to funds invested for people experiencing job loss as proposed would hinder the state's economic progress. At the same time, creating additional bureaucratic mandates, shuffling existing division responsibilities, and changing the name of a DWD division would only increase costs and confusion with no clear benefits.

Thank you for the opportunity to provide testimony. Please reach out if you have any additional questions.



**THE LEADING VOICE
FOR WISCONSIN SMALL
AND INDEPENDENT BUSINESSES**

April 10, 2025

**TO: Members
Assembly Committee on Public Benefit Reform**

**FR: Brian Dake
President
Wisconsin Independent Businesses**

RE: 2025 Assembly Bill (AB) 164 relating to: various changes to the unemployment insurance law and federal Reemployment Services and Eligibility Assessment grants.

Chair Knodl and committee members my name is Brian Dake, President of Wisconsin Independent Businesses. Thank you for the opportunity to testify in support of 2025 Assembly Bill (AB) 164.

By way of background, Wisconsin Independent Businesses (WIB) was formed in 1977 to provide small, independent business owners with an effective voice in the legislative and regulatory activities of state government.

We proudly represent nearly 2,000 small, independent business owners throughout Wisconsin. Most of our members, approximately 85%, own and operate businesses that have fewer than 25 employees and annual gross revenues of less than \$5 million. Our membership reflects the range of small businesses that exist in communities throughout Wisconsin.

WIB...Helping you where you need it.

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In 2011, we surveyed our members about Wisconsin's Unemployment Insurance (UI) law. From their responses, we developed the following set of objectives to guide our advocacy efforts:

- reduce the state UI tax burden on small businesses;
- increase UI claimant accountability;
- reduce the incidence of UI fraud;
- bring clarity to the enforcement of UI laws and regulations; and
- transition UI claimants back to work quickly.

If enacted into law, AB 164 would fulfill two of these important objectives - reducing the state UI tax burden on small employers and transitioning UI claimants back to gainful employment quickly.

Wisconsin employers are assessed state UI taxes on the first \$14,000 in wages paid to each employee. The state UI tax rate an employer pays is determined by two factors. They are:

- UI tax schedule in effect for a given rate year which is determined by the state UI Trust Fund (Fund) balance. The higher the Fund balance, the lower the UI tax schedule that is in effect.
- Employer's experience with the UI system. The more current or former employees of an employer collect in UI benefits, the higher the tax rate that employer pays.

UI claimants who quickly transition back to gainful employment have a limited impact on an employer's UI tax rate. Conversely, an employer's UI tax rate increases significantly when a UI claimant draws months of weekly UI benefits.

AB 164 includes two provisions which should result in more UI claimants transitioning back to gainful employment quickly which in turn would lessen the UI tax burden on Wisconsin small businesses. Of note, AB 164 would:

- require for the third and subsequent weeks of a claimant's benefit year, at least two of the required weekly work search actions be direct contacts with potential employers; and
- require the Wisconsin Department of Workforce Development (DWD) to provide each UI claimant with at least four potential employment opportunities each week. To fulfill their weekly work search requirement, a UI claimant would be required to apply for the specific positions provided by the DWD.

We respectfully ask for your support of AB 164.

Thank you in advance for your consideration.



TESTIMONY IN SUPPORT OF AB 164

Presented to
Wisconsin Assembly Committee on Public Benefit Reform

April 10, 2025

John Mazin, *Visiting Fellow*
FGA Action

Chairman Knodl and members of the Assembly Committee on Public Benefit Reform, my name is John Mazin and I'm a visiting fellow with FGA Action, where I advocate for legislation that promotes re-employment and workforce growth. I am testifying in support of AB 164.

During the Great Depression, Wisconsin became the birthplace of state-run unemployment insurance programs. New Deal reformers seized on the idea and made the policy part of the landmark Social Security Act of 1935. In codifying this safety net for employment, they preserved the flexibility of states to design their programs in a way that fosters immediate support for the needy and re-employment as soon as possible.

Outlining the broad contours of his agenda, President Franklin D. Roosevelt declared that "work and security...are the spiritual values, the true goal" of government policy.¹

Through a job, the former provides the latter. Renaming the unemployment insurance program the "Reemployment Assistance Program," as AB 164 does, clarifies the original purpose and mission of this program.

Clarification is certainly needed. A 2023 report by the U.S. Department of Labor showed that a majority of unemployed individuals do not apply for unemployment benefits because they aren't sure if the program applies to them. Emphasizing that the program exists to support a transition to the next job is a great step in communicating the program's purpose for a new generation of workers.²

With more than 155,000 open jobs in Wisconsin according to the most recent Department of Workforce Development data, AB 164's clarification of work-search requirements will ensure that unemployment insurance claimants and the Department of Workforce Development (DWD) are working efficiently and effectively to find re-employment.³

In order for work search to be meaningful, it must be specific, employer-focused, and verifiable. AB 164 accomplishes all three of these goals by requiring UI claimants, starting in their third week of benefits, to complete two of their required four weekly work-search actions via direct engagement with a hiring employer. This is a win-win for employers and workers. It allows newly unemployed workers time within the first two weeks to develop a work search plan and resume while ensuring that the goal of work search efforts remains productive and meaningful contact with employers seeking workers. If the period of unemployment continues, claimants are still able to fulfill half of their work-search actions by participating in DWD's current menu of job search and skill development and training opportunities.⁴

DWD currently prioritizes workers finding a new job, as evidenced by the Job Center of Wisconsin, the department's digital re-employment service. AB 164 enhances this tool by requiring DWD to

proactively match job openings reported by employers with the skills of recently unemployed workers. South Carolina's Department of Employment and Workforce pioneered a model of this to eliminate return-to-work hesitancy among the state's unemployed workforce. That program collects worker information through the UI claims process and then matches the skills, experience, credentials, and approximate salary of that worker with open jobs in the state.⁵ Under the South Carolina program and the proposal in AB 164, the worker is required to apply for a job, but ultimately the decision to hire or not hire remains with the employer.

In closing, AB 164 is a strong bill. It ensures the UI program functions as intended, and it contains straightforward reforms that promote re-employment at a time when Wisconsin faces a persistent labor shortage.

¹ Franklin Delano Roosevelt, Address Accepting the Presidential Nomination at the Democratic National Convention in Chicago, (1932), The American Presidency Project, <https://www.presidency.ucsb.edu/documents/address-accepting-the-presidential-nomination-the-democratic-national-convention-chicago-1>.

² Bureau of Labor Statistics, "Characteristics of Unemployment Insurance Applicants and Benefit Recipients Summary," U.S. Department of Labor (2023), <https://www.bls.gov/news.release/uisup.nr0.htm>.

³ Job Center of Wisconsin, "Monthly Job Openings & Labor Turnover Survey (JOLTS)," State of Wisconsin Department of Workforce Development (2025), <https://jobcenterofwisconsin.com/wisconomy/pub/jolts.htm>

⁴ "Work Search Requirements," Wisconsin Department of Workforce Development (2023), <https://dwd.wisconsin.gov/uiben/worksearch-requirements.htm>.

⁵ Andrew James, ABC 15, "A new 'forced referral' program begins in hopes of helping reported SC labor shortages," wpde.com (2021), <https://wpde.com/news/local/a-new-forced-referral-program-begins-in-hopes-of-helping-reported-sc-labor-shortages>.